

Proposed Order Exhibit 1
Cherokee's September 25, 2020 Offer to Sell Capacity to DEC

From: Nathan Hanson <NHanson@lspower.com>
Sent: Friday, September 25, 2020 9:48 AM
To: Keen, Michael T
Subject: [EXTERNAL] Cherokee

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Mike, thanks for speaking with me earlier this week. As we discussed on the phone and not to go into it here, below are the terms we need in a contracting opportunity.

- Extend the current tolling agreement for 10 yrs
- VOM and Start charges would continue and escalate at the rates included in the agreement
- The FOM and Capacity Rates would be replaced with a single rate, by month, as shown below. The capacity attributed to the plant would be differentiated by month as you had proposed. The rates shown in the table are for calendar year 2021 and would escalate at 3% per yr during the term.

| Month | Capacity (MW) | FOM and Cap |
|-------|---------------|-------------|
| jan | 98 | 11.98 |
| feb | 98 | 11.98 |
| mar | 98 | 7.10 |
| apr | 90 | 4.11 |
| may | 90 | 4.11 |
| jun | 86 | 5.55 |
| jul | 86 | 7.83 |
| aug | 86 | 7.83 |
| sep | 86 | 5.55 |
| oct | 90 | 4.11 |
| nov | 90 | 4.11 |
| dec | 98 | 7.10 |

We think this arrangement provides Duke significant value along with meeting its purpa obligations and represents movement from what we have offered previously. I understand you are meeting with your team on Monday and look to hear back from you after that.

Thanks

Nathan Hanson
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